## DECLARATION OF MARIO EDGAR DEAS

I, Mario Edgar Deas, declare under penalty of perjury that the following statement is true and correct.

I am the President and sole voting stockholder of Deas Communications, Inc. ("Deas"), an applicant for a new FM radio station at Healdsburg, California. This Declaration is provided in support of a Joint Request for Approval of Agreement, Dismissal of Application and Merger of Applicants filed by Deas and Healdsburg Broadcasting, Inc. ("HBI"), a competing applicant. Upon favorable FCC action on the Joint Request and approval of a Settlement and Merger Agreement between Deas and HBI, HBI's application will be dismissed and it will become a 50% nonvoting stockholder in Deas, which will be the surviving Healdsburg applicant.

Approval of our agreement will serve the public interest because, although it would not end the FCC litigation, it is likely to shorten it by merging two strong and competitive applicants into one. This will decrease our expenses and ease the strain on the Commission's resources. It will also shorten the proceeding and bring closer the time when we can offer new FM service to Healdsburg.

Deas' application was not filed for the purpose of reaching or carrying out such an agreement.

Our agreement provides that, in return for its 50% nonvoting interest in Deas, HBI is to pay Deas \$40,000.00.

That is the sum total of all consideration contemplated by the merger. There are no other agreements, oral or written.

This amount was arrived at during my negotiations with HBI, by calculating each applicant's FCC-related expenses to date. Each side presented the other with invoices and cancelled checks representing expenditures in connection with the preparation, filing and prosecution of our respective applications from the beginning through November 1992. The expenses presented by Deas exceeded those of HBI by more than \$40,000.00. We compromised on this figure.

Since our agreement contemplates that HBI and Deas will each have 50% of the equity in the merged applicant (though HBI's will be a totally passive investment), our intention was that each party should bear an equal amount of the cost of prosecuting the application through to the end. In the future, if and when additional capital is needed, our agreement contains a mechanism to insure that each stockholder bears its proportional responsibility for such contributions. Each will share the risks and rewards appropriately, as set forth in Deas' articles of incorporation and by-laws.

I aver, under penalty of perjury, that Deas' legal fees alone exceed \$40,000.00. I have directed counsel to provide a confirming, detailed affidavit to that effect if

requested to do so by the Presiding Judge or the Mass Media Bureau.

I understand that only mergers made in good faith will be approved by the FCC. This is such a merger. I can attest that our agreement was hammered out over weeks of sometimes difficult negotiations, made more difficult by the fact that the HBI principals and I did not at first know each other. The resulting agreement is beneficial, I believe, to the interests of both parties.

Aside from the fact that HBI will now own 50% of the equity of Deas, in preferred, non-voting stock, and my sons and their wives, who previously held 80% of the equity, will after the merger own 30%, Deas' application is unchanged. The composition of officers and directors of Deas will be as it has been all along. The articles of incorporation and by-laws of Deas will, without alteration, govern the corporation's affairs. My 20% voting stock interest will remain the same. I will continue to be the President and sole voting stockholder of Deas.

I hereby reaffirm in all respects the integration commitment that I have made to the FCC. Although I understand that Deas must submit a new hearing Exhibit 1 to reflect the ownership changes resulting from the merger, Deas Exhibit 2 is unchanged, as is my pledge to be the full-time General Manager

of the station if Deas' application is granted. Under penalty of perjury, I again swear that Deas Ex. 2 is absolutely true and correct.

actively involved in any decision making, management or operational decisions for the applicant or the station. The agreement so states and we have discussed the subject on a number of occasions. I pledge to the Commission that, in connection with the further prosecution of the application, and (if we prevail) the construction and operation of the station, I will personally be responsible for all decisions, including but not limited to those related to personnel, finance and programming. HBI will have no such responsibility, will not be consulted in connection with decision making, and its owners will not be involved in station operations, either as managers, employees, agents or consultants.

Respectfully submitted,

Mario Edgar Beas

December 23 , 1992

## **DECLARATION**

Michael Akana hereby declares as follows:

- 1. I am President of Healdsburg Broadcasting, Inc. ("HBI"), an applicant for a new FM radio station in Healdsburg, California (BPH-910211MB). This declaration is being prepared in support of a Joint Request for Approval of Settlement Agreement with Deas Communications, Inc. ("Deas") which would result in the dismissal of HBI's application with prejudice.
- 2. HBI did not file its application for the purpose of settlement. Instead, it has prosecuted its application until now in the hope of securing a grant.
- 3. HBI is not receiving any consideration for the dismissal of its application except for the nonvoting stock in Deas specified in the agreement being submitted in conjunction with the Joint Petition for Approval of Settlement Agreement.
- 4. The terms and conditions of HBI's agreement with Deas Communications, Inc. are set forth in the agreement which accompanies the Joint Petition for Approval of Settlement Agreement. Approval of that settlement agreement would be in the public interest.

I hereby declare under penalty of perjury that the foregoing is true and correct. Executed at Hayward, CA on December 22, 1992.

Michael Akana

## CERTIFICATE OF SERVICE

I hereby certify that I have, this 28th day of December, 1992, served copies of the foregoing "Joint Request for Approval of Agreement, Dismissal of Application and Merger of Applicants" upon the following persons by first class United States Mail, postage prepaid:

Administrative Law Judge Edward J. Kuhlmann Federal Communications Commission 2000 L Street, NW, Room 220 Washington, D.C. 20554

John I. Riffer, Esq. Associate General Counsel - Adjudication Federal Communications Commission 1919 M Street, NW, Room 610 Washington, D.C. 20554

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